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and

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**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA**

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

Case Nos. BK-S-06-10725 LBR
 Case Nos. BK-S-06-10726 LBR
 Case Nos. BK-S-06-10727 LBR
 Case Nos. BK-S-06-10728 LBR
 Case Nos. BK-S-06-10729 LBR

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

Chapter 11

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED
 FUND, LLC,
 Debtor.

Jointly Administered Under
 Case No. BK-S-06-10725 LBR

In re:
 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

**SUPPLEMENT TO MOTION TO
 AUTHORIZE DEBTOR USA
 COMMERCIAL MORTGAGE
 COMPANY AS LOAN SERVICER TO
 ACCEPT PAYMENTS AND PROVIDE
 RECONVEYANCES FOR TWO COLT
 GATEWAY LOANS**

In re:
 USA SECURITIES, LLC,
 Debtor.

Affects:
☐ All Debtors
☒ USA Commercial Mortgage Company
☐ USA Securities, LLC
☐ USA Capital Realty Advisors, LLC
☒ USA Capital Diversified Trust Deed Fund, LLC
☐ USA First Trust Deed Fund, LLC

Date of Hearing: March 15, 2007
 Time of Hearing: 9:30 a.m.

Debtor in Possession USA COMMERCIAL MORTGAGE COMPANY ("USACM"), by and through its counsel, hereby files this Supplement to its "Motion To Authorize Debtor USA Commercial Mortgage Company as Loan Servicer to Accept Payments and Provide Reconveyances for Two Colt Gateway Loans" (the "Motion"), which was filed February 27, 2007 (docket no. 2911). The Motion is supplemented by the attached letter dated March 7, 2007 from HFAH Real Estate Services, Inc., the Manager of Colt Gateway LLC, to USACM.

DATED: March 7, 2007.

Annette W. Jarvis, Utah Bar No. 1649
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and

/s/ Lenard E. Schwartz
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Attorneys for Debtors and Debtors-in-Possession

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Homes For America Holdings, Inc.

Helping people live better lives

March 7, 2007

By Fax (702) 734-0163
Confirm (702) 734-2400

Mr. Thomas J. Allison
President
USA Commercial Mortgage Company
4484 South Pecos Road
Las Vegas, Nevada 89121

Re: USA Commercial Mortgage Loans to Colt Gateway LLC, a
Connecticut limited liability company

["Colt Gateway Campus" Urban Revitalization Project, City of Hartford,
Hartford County, Connecticut]

Letter Agreement on Loan Repayment

Dear Mr. Allison:

I am writing as authorized officer of HFAH Real Estate Services, Inc., a Texas corporation and the Manager of Colt Gateway LLC, a Connecticut limited liability company ("Colt Gateway") regarding the following mortgage loans.

1. Colt Gateway has outstanding a loan obligation evidenced by that certain Note dated December 22, 2002, as modified in July 2003, for an original principal loan amount of Eight Million Seven Hundred Thousand Dollars (\$ 8,700,000) ("Note 1"), which Note 1 is secured by a lien established against real property of Colt Gateway in the City of Hartford, Hartford County, Connecticut, by that certain Mortgage Deed and Security Agreement dated as of December 22, 2002, recorded on January 24, 2003, and modified on July 9, 2003, recorded on August 1, 2003, all in the Hartford Land Records of Hartford County, Connecticut ("Mortgage 1").

2. Colt Gateway has outstanding a loan obligation evidenced by that certain Note dated August 18, 2003, as modified on January 17, 2004, for an original principal loan amount of One Million Dollars (\$ 1,000,000) ("Note 2" and together with Note 1, the "Notes"), which Note 2 is secured by a lien established against real property of Colt Gateway in the City of Hartford, Hartford County, Connecticut, by that certain Mortgage Deed and Security Agreement dated as of August 19, 2003, recorded on September 8, 2003, in the Hartford Land Records of Hartford County, Connecticut ("Mortgage 2" and together with Mortgage 1, the "Mortgages").

USA Commercial Mortgage Company ("USACM") has represented that it is the authorized mortgage servicer for the Mortgages and the underlying loan obligations, and, on

Mr. Thomas J. Allison, President
USA Commercial Mortgage Company

March 7, 2007
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request, has delivered to Colt Gateway the attached loan pay-off statements for the respective Mortgages, incorporated herein by reference ("Loan Pay-Offs").


Colt Gateway has been presented with claims from USA Capital Diversified Trust Deed Fund, LLC ("Diversified") asserting interests in the real property subject of the Mortgages and seeking reimbursement for advances made to or on behalf of Colt Gateway by Diversified, known as the Div I, Div II, and CREC transactions (the "Advances"). Diversified is also identified as a holder of part of the loan obligation secured by Mortgage 1. In addition, USACM and Diversified may have rights to recover from USA Investment Partners, LLC, a Nevada limited liability company ("USAIP") a 49.5 % equity interest in Colt Gateway (the "Equity Interest"). The Loan Pay-Off for Note 1 includes an allocation of \$ 1.7 million to a fee that was created by a three-party agreement by and between USACM, USAIP, and Homes for America Holdings, Inc. in connection with the equity in Colt Gateway. USACM hereby agrees that upon payment of that fee that USACM disclaims any and all right, title, and interest USACM may have in the Equity Interest (other than as a creditor or claimant on USAIP or its affiliates), including any right acquired under the loans underlying the Mortgages, the Advances, or any fees or charges as loan representative or mortgage servicer.

Colt Gateway has presented an undertaking by its prospective refinancing lender to provide funds sufficient at loan closing to pay in their entirety the amounts due as shown in the Loan Pay-Offs. Subject to the execution and delivery of this letter agreement (this "Agreement") by the parties, Colt Gateway hereby undertakes to proceed with the loan refinancing and closing on or before April 15, 2007, paying the then current amount due under the Loan Pay-Offs.

*The refinancing lender among other conventional requirements would require that any and all liens and encumbrances relating to the loans secured by the Mortgages be released. Further, Diversified, and any other affiliate or holder claiming thereunder, would not retain any contingent claim to liens on or interests in the real property subject of the Mortgages – that is, any claims that Diversified, or any such affiliate or holder may have, including the Advances, will be deemed unsecured. Diversified and Colt Gateway would otherwise retain without affect any claims or defenses related to the Advances by Diversified.

This Agreement is being prepared for submission to the Court as supporting evidence for USACM as Debtor in Possession in its pending Motion to Authorize acceptance of Colt Gateway's payments, in the U.S. Bankruptcy Court of Nevada Case No. BK-S-06-10725. Until this Agreement is accepted and a counterpart returned to Colt Gateway the foregoing representations and warranties shall be of no effect and this letter agreement be deemed an offer in compromise of disputed claims.

Very truly yours,


Daniel G. Hayes
Senior Vice President

Attachments.

cc: Craig M. Scully, Esq.

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86 Main Street, 2nd Floor
Yonkers, NY 10701

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www.hfaholdings.com

Mr. Thomas J. Allison, President
USA Commercial Mortgage Company

March 7, 2007
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ACCEPTED BY MORTGAGE SERVICER:

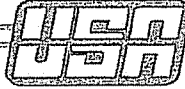
USA Commercial Mortgage Company

By:  _____

Its: President and CRO

Date: March 7, 2007

CG\usa\LAgrt UCM CG.3gj



PAYOFF STATEMENT

RE: HFA-Colt Gateway
LOAN NO. 82

Regarding the full repayment of the above loan, as of February 28, 2006, we are presenting a demand for \$9,482,457.18 with a per diem of \$3,205.22. Please wire the funds using the following wiring instructions:

For Principal and Interest:

Bank of America, ABA # 026009593


For Further Credit to: USA Commercial Mortgage Co. Collection Trust Account
Acct. # 3755532396

For Origination Fee and Late Fee:

Bank of America, ABA # 026009593

For Further Credit to: USA Commercial Mortgage Co. Collection Trust Account
Acct. # 3755532383

Please prepare a reconveyance for signature and send it with the funds.

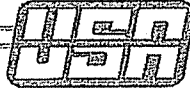

BY: USA Commercial Mortgage Co.
Attorney in Fact for the lenders
Mark Olson, COO

February 21, 2007

Principal	\$ 5,905,051.40
Interest	\$ 1,787,468.38
Origination Fee outstanding	\$ 1,700,000.00
Late Fees	\$ 89,937.40
Total	<u>\$ 9,482,457.18</u>

4484 South Pecos Road Las Vegas, Nevada 89121

Phone: 702-734-2400 Fax: 702-734-0163 Toll Free: 888-921-8009 www.TDInvestments.com



PAYOFF STATEMENT

RE: HFA-Colt Gateway
LOAN NO. 110

Regarding the full repayment of the above loan, as of February 28, 2007, we are presenting a demand for \$1,753,518.18 with a per diem of \$710.24. Please wire the funds using the following wiring instructions:

For Principal and Interest:

Bank of America, ABA # 026009593


For Further Credit to: USA Commercial Mortgage Co. Collection Trust Account
Acct. # 3755532396

For Extension Fee and Late Fee:

Bank of America, ABA # 026009593

For Further Credit to: USA Commercial Mortgage Co. Collection Trust Account
Acct. # 3755532383

Please prepare a reconveyance for signature and send it with the funds.


BY: USA Commercial Mortgage Co.
Attorney in Fact for the lenders
Mark Olson, COO

February 21, 2007

Principal	\$ 1,000,000.00
Interest	\$ 704,567.54
Extension Fee	\$ 40,000.00
Late Fees	\$ 8,950.64
Total	\$ 1,753,518.18